

**REAL ESTATE COMMISSION**  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://www.hawaii.gov/hirec)

**MINUTES OF MEETING**

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, January 30, 2004

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room  
King David Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii

Present: John Ohama, Chair  
Louis Abrams, Member  
Marshall Chinen, Member  
Kathleen Kagawa, Ph.D., Member  
Trudy Nishihara, Member  
Vern Yamanaka, Member

Calvin Kimura, Supervising Executive Officer  
Alan Taniguchi, Executive Officer  
Diane Choy Fujimura, Senior Real Estate Specialist  
Cynthia Yee, Senior Condominium Specialist  
Lorene Kimura, Real Estate Specialist  
Ryan Yamashiro, Real Estate Specialist  
David Grupen, Condominium Specialist  
Gordon Arakaki, Recodification Attorney  
Shari Wong, Deputy Attorney General  
Irene Kotaka, Secretary

Sherry A. Bates  
Karen Iwamoto, Hawaii Association of REALTORS  
Judy Sobin, Honolulu Board of REALTORS

Excused: Mitchell Imanaka, Vice Chair  
Iris Okawa, Member  
Peter Rice, Member

Call to Order: The Chair called the meeting to order at 9:05 a.m., at which time quorum was established.

Chair's Report: No chair's report was presented.

Executive Officer's  
Report:

**Announcements, Introductions, Correspondence and Additional  
Distribution**

**Additional Distribution**

The following items were distributed prior to the start of the meeting:

4. Committee Reports
  - b. Education Review Committee
    - 4) Testing
  - c. Condominium Review Committee
    - Report Pursuant to Act 185, 2003 Legislative Session Requiring the Department of Health and the Hawaii Real Estate Commission to Conduct a Study on the Impact and Feasibility of Allowing Condominium and Cooperative Housing Corporation Projects to Become Licensed Assisted Living Facilities
    - Preliminary Report on the Feasibility of a Proposed Condominium Court with the Real Estate Commission Appointing a Hearings Officer to Hear the Condominium Disputes
  - c. Legislative Report
    - Article, Pacific Business News, January 22, 2004
    - Legislative Report No. 1
    - Senate Bill No. 2892 – Bill Justification, Proposed Testimony and Q & A

**Minutes of Previous Meeting**

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the minutes of the December 12, 2003 Real Estate Commission meeting as circulated.

**List of Boards, Commissions & Programs**

A copy of the latest list of Boards, Commissions and Programs was distributed to the Commissioners for their information. The Licensing Branch provides services to 25 boards and commissions and 20 programs.

**DCCA Deputy Assignments**

A copy of the latest DCCA Deputy Attorney General Assignment sheet was distributed to the Commissioners for their information.

**Meeting Availability**

The Commissioners were asked to notify staff of their availability for the weeks of May 10 to 14, 2004 and June 7 to 10, 2004 as the Committee meetings may have to be rescheduled due to an anticipated quorum problem.

Committee Reports:     **Laws and Rules Review Committee**

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to accept the report of the January 6, 2004 Laws and Rules Review Committee meeting as follows:

1. Minutes of December 11, 2003 – **Accept**
2. ARELLO, Other Organizations and Jurisdictions  
REALTORS Association of Maui – Recommend that Commissioner Abrams be appointed as the lead commissioner to work with the Hawaii Association of REALTORS on concerns relating to agency issues.
3. Next Meeting:   Wednesday, February 11, 2004  
                          9:00 a.m.  
                          Queen Liliuokalani Conference Room  
                          King Kalakaua Building  
                          335 Merchant Street, First Floor  
                          Honolulu, Hawaii

**Education Review Committee**

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the report of the January 6, 2004 Education Review Committee meeting as follows:

1. Minutes of December 11, 2003 – **Accept**
2. Administration of Examinations - Promissor – Russ Goode's concerns regarding type of calculator used during exam – **Defer** to REC meeting on January 30, 2004 after polling members of the Education Evaluation Task Force and other educators and agents as to appropriateness of HP12C calculator or other similar calculators for use during the real estate broker's license exam.
3. Program of Work, FY04 - Annual Report, Quarterly Bulletin, and School Files – printing contract bids – **Accept** bid from Service Printers Inc. of \$5,621.00 per issue for 4 issues for a total of \$22,484.00.
4. Special Issues – HAR Legislative Bill on Landlord Education requesting \$30,000 of the Real Estate Education Fund – Budget and Format of Landlord-Tenant Drug Education Program – **Accept** December 31, 2003 revised proposal from HAR to sponsor "Landlord Training Program" under current contract between REC and HAR with a proposed budget of \$10,726.00 for FY05, subject to revision, and with understanding the seminar may be attended for continuing education credit.
5. Next meeting:   Wednesday, February 11, 2004  
                          Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:00 a.m.  
                          King Kalakaua Building  
                          Queen Liliuokalani Conference Room  
                          335 Merchant Street, 1<sup>st</sup> Floor  
                          Honolulu, Hawaii

### **Hawaii Association of REALTORS' Education Committee**

Commissioner Yamanaka requested that he be appointed to act as a liaison to attend the Hawaii Association of REALTORS' Education Committee meetings to obtain feedback on the education issues.

Commissioner Abrams moved to appoint Commissioner Yamanaka as the liaison between the Hawaii Association of REALTORS' Education Committee and Commissioner Nishihara as the alternate subject to the approval of the Hawaii Association of REALTORS Education Committee. REB staff will also attend the meetings.

Commissioner Abrams moved to amend his motion to delegate Commissioners Yamanaka and Nishihara and REB staff to research education issues discussed at the Hawaii Association of REALTORS' Education Committee meetings, subject to the agreement of the Hawaii Association of REALTORS' Education Committee. Commissioner Kagawa seconded the motion.

Commissioner Yamanaka asked if there would be a problem if Commissioner Nishihara represents other interests at the meetings. It was suggested that Commissioner Nishihara preface her comments by stating whom she is representing.

The motion was voted on and unanimously carried.

### **REC Core Course**

Senior Specialist Fujimura reported that the Education Evaluation Task Force (EETF) met on January 26, 2004 to review the draft of the core course. They reviewed and consolidated five of the topics into two. They hope to have the next draft ready by mid-February, if not before. The targeted implementation date is in April.

### **Broker Curriculum**

Senior Specialist Fujimura reported that the meeting held on January 22, 2004, to discuss the broker curriculum was very productive. The Commission's consultant, RE3LLC went over the proposed curriculum in detail with the instructors and positive input was received from the instructors. There was varying acceptance to increasing the number of course hours.

### **Testing**

At its January 6, 2004 meeting, the Education Review Committee deferred decision making on Russ Goode's concerns regarding the type of calculator used during the exam to today's meeting so that members of the EETF, educators and agents could discuss the appropriateness of using the HP12C calculator and other financial calculators during the real estate licensing exam.

The following individuals, who were representing the prelicense schools and instructors, were present for the discussion on calculators at the January 22, 2004 EETF meeting:

Ralph Foulger  
Barbara Dew  
Mark Ambard  
Yuki Kajiwara  
Helen Fahrni  
Betty Dower  
Brian Thomas

The discussion was led by Wayne "Richie" Richardson III. Those present indicated that they informed their students that they should use a basic, four-function calculator. They also mentioned the importance of a student understanding how to compute the math without the use of a financial calculator. All those present stated that they felt that the current policy of allowing only a basic, four-function calculator was sufficient and that it is not necessary to allow a financial or scientific calculator for exam purposes. Thus, they felt that the current policy should not be amended.

Based upon the response received from the prelicense schools and instructors and their disagreement with the previous instructor's position, Commissioner Yamanaka stated that he was in favor of the Commission maintaining its current policy of allowing the use of only a basic, four-function calculator for exam purposes.

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Nishihara, it was voted on and unanimously carried to reaffirm the Commission's present policy of allowing only a basic, four-function calculator to be used by real estate license examination candidates.

#### **Broker Curriculum**

Senior Specialist Fujimura reported that they are anticipating that the final draft of the broker curriculum will be approved some time in March. Once the broker curriculum and the CE core course have been approved, REB staff will begin working on test development.

The Commission's immediate goal is to complete and distribute the core course and then to finalize the real estate broker's curriculum.

#### **Condominium Review Committee**

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to accept the amended report of the January 6, 2004 Condominium Review Committee meeting as follows:

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to accept the minutes of the December 11, 2003 Condominium Review Committee meeting.

### Condominium Governance and Management

2003-2005 Biennium Registration – Upon a motion by Commissioner Abrams, seconded by commissioner Yamanaka, it was voted on and unanimously carried to recommend approval to ratify the effective dates for the AOA 2003-2005 biennium registrations received through December 31, 2003.

Senator Willie C. Espero's Bill Relating to Condominium Management Dispute Resolution – Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to withdraw acceptance until a further review has been completed of the "Preliminary Report on the Feasibility of a Proposed Condominium Court with the Real Estate Commission Appointing a Hearings Officer to Hear the Condominium Disputes", dated January 29, 2003, prepared by the Commission staff. There are a sufficient number of questions unanswered in the proposed legislation that further study is needed, and the Committee recommends approval to reiterate its position taken in the Commission's separate report to the 2004 Legislature on Recodifying Chapter 514A, HRS, that the LRB should conduct a study of any proposed condominium court on the outcome of the study; and requests that as part of the LRB study, an update of its 1996 study and report, "Fighting Battles in Modern American Castles: Condominium Dispute Resolution."

### CPR Registration, Developer's Public Reports – November 2003

Upon a motion by Commissioner Kagawa, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to recommend approval to ratify issuance of effective dates of the developer's public reports and extensions issued for the month of December 2003.

### Legislative Acts and Resolutions

Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to accept the final copy of the report, "Report to the Twenty-Second Legislature, State of Hawaii. 2004, Pursuant to Act 185, 2003 Legislative Session Requiring the Department of Health and the Hawaii Real Estate Commission to Conduct a Study on the Impact and Feasibility of Allowing Condominium and Cooperative Housing Corporation Projects to Become Licensed Assisted Living Facilities."

### **Legislative Report**

A copy of Legislative Report No. 1 was distributed to the Commissioners for their information. The SEO highlighted the bills affecting the Commission.

The legislative calendar and other legislative information were distributed to the Commissioners for their reference. The Commissioners were asked to be aware of the legislative deadlines. REB staff will be working with the REC Chair and the Committee Chairs to coordinate testimony on the bills. Commissioner Abrams stated that he would be willing to testify should his help be needed.

A copy of Senate Bill No. 2892, which is the Commission's bill, the proposed testimony, and the questions and answers in relation to the bill were distributed to the Commissioners for their information.

The SEO reported that the Commission has been practicing a form of license recognition since the early 1970s. The Commission is requesting the authority to negotiate license agreements with the other states for the benefit of the consumers and other real estate licensees.

A copy of the article entitled, "Realtors' agenda will focus on land use, condos and taxes", which appeared in the January 23, 2004 issue of the Pacific Business News, was distributed to the Commissioners for their information. In the article, Jane Sugimura, president of the Hawaii Council of Associations of Apartment Owners, said regarding the draft of the condominium recodification bill: "I would like to see it passed this session. I don't agree with every single word and a lot of it has been compromised, but I support it because I think it's a good first effort."

Recodification  
Report and  
Legislation:

Recodification Attorney Arakaki reported that the points of contention are not as great as anticipated.

Commissioner Nishihara thanked Recodification Specialist Arakaki for all of his efforts.

Chair Ohama requested that staff email all of the Commissioners when the hearing has been scheduled for the recodification bill. He also reported that he had received many compliments on Recodification Attorney Arakaki's work. He also stressed that the Commission show as much support for the bill as possible. He also asked for the support of the Hawaii Association of REALTORS and the Honolulu Board of REALTORS.

Recodification Attorney Arakaki suggested that organizations gather cumulative testimony, such as having one testimony signed by its members. Ms. Iwamoto reported that the Hawaii Association of REALTORS does not list the individual names of its members, but instead states in its testimony that the testimony represents their 7,200 members.

Ms. Iwamoto stated that when the Hawaii Association of REALTORS conducted their legislative outreach on January 15, 2004, they indicated their whole-hearted support of the Commission's recodification bill. They did not express any reservations towards the bill but related that they whole-heartedly supported the bill.

The Commission feels that the issue relating to the condo court needs to be researched further. The Commission is requesting that the Legislative Reference Bureau perform an updated study.

**Program of Work and Budget FY04**

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to suspend the termination of the contract with Morgan Stanley Dean Witter until further information is received

from staff and to defer discussion and decision making to the February 27, 2004 Real Estate Commission meeting.

Licensing and  
Registration -  
Ratification:

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to ratify the attached list.

Recess:

Chair Ohama recessed the meeting at 10:05 a.m.

Reconvene:

Chair Ohama reconvened the meeting at 10:20 a.m.

Licensing –  
Applications:

**Sherry A. Bates**

Sherry A. Bates was present to answer any questions the Commission may have regarding her application for a real estate salesperson's license. Ms. Bates was asked if she wished to have her application considered in executive session. She declined the offer.

Ms. Bates thanked the Commission for allowing her to appear before them. She stated that she understood the Commission's concerns regarding her conviction. She had not been in trouble before the conviction and had not been in trouble since then. Ms. Bates stated that she is in upper management and has been responsible for other people's money and dealings. She stated that she has maintained her employment throughout her entire life. She owns her own home. Ms. Bates also stated that with regards to her reputation for fair dealing, she is in upper management and has dealt with various people. She has to be straightforward and honest with people. She thinks that her reputation speaks for itself. She informed the Commissioners that her last employer sent her to real estate school instead of laying her off. She studied for two weeks straight, passed the school and state examination and is looking forward to being involved in real estate. She said that she has always been able to grow in her jobs.

After a review of the information presented by the applicant, Commissioner Abrams moved to approve Sherry A. Bates' application for a real estate salesperson's license. Commissioner Chinen seconded the motion. The motion was voted on and unanimously carried.

**Traci A. Sullivan**

After a review of the information submitted by the applicant, Commissioner Abrams moved to approve the real estate salesperson's license application of Traci A. Sullivan. Commissioner Kagawa seconded the motion. The motion was voted on and unanimously carried.

**Scarlet G. Lee**

After a review of the information submitted by the applicant, Commissioner Abrams moved to approve the real estate broker's license application of Scarlet G. Lee. Commissioner Nishihara seconded the motion. The motion was voted on and unanimously carried.

**Cook Walls Inc.**

Commissioner Yamanaka recused himself from the meeting.

After a review of the information submitted by the applicant, Commissioner Abrams moved to approve the real estate corporation license of Cook Walls Inc. Commissioner Kagawa seconded the motion. The motion was voted on and carried.

Commissioner Yamanaka returned to the meeting.

Chapter 91, HRS,  
Adjudicatory Matters:

The Chair called for a recess from the meeting at 10:30 a.m., to discuss and deliberate on the following adjudicatory matters, pursuant to Chapter 91, HRS:

**In the Matter of the Real estate Salesperson's License of Cesar B. Buted,  
REC 2001-277-L**

Chair Ohama recused himself from the meeting. Commissioner Abrams presided over the meeting.

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Nishihara, it was voted on and carried to accept the Settlement Agreement After Filing of Petition for Disciplinary Action.

Chair Ohama returned to the meeting and resumed presiding over the meeting.

Following the Commission's review, deliberation and decisions in these matters, and pursuant to Chapter 91, HRS, the Chair announced that the Commission was reconvening its scheduled Commission meeting at 10:35 a.m.

Next Meeting:

Friday, February 27, 2004  
9:00 a.m.  
Queen Liliuokalani Conference Room  
King Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii

Commissioners Yamanaka and Chinen informed those present that they would not be able to attend the February 11, 2004 Committee meetings.

Commissioner Yamanaka also informed the Commissioners that he would not be able to attend the February 27, 2004 Real Estate Commission meeting.

The Commissioners were asked to notify staff in advance if they would be unable to attend the meetings.

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 10:41 a.m.

Reviewed and approved by:

/s/ Alan Taniguchi  
Alan Taniguchi  
Executive Officer

February 27, 2004  
Date

[ X ] Approved as circulated.

[ ] Approved with corrections; see minutes of \_\_\_\_\_ meeting.

APPROVED APPLICATIONS FOR REAL ESTATE  
REAL ESTATE COMMISSION MEETING ON JANUARY 30, 2004

<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Garden Island Realty, Inc., Garden Island Realty Bill Sweeney, PB	12/03/03
Buyers & Sellers Premier Realty, Inc. Douglas Nonaka, PB	11/20/03
McCourt Realty, Ltd. Brian McCourt, PB	01/01/04
Five Star Realty, Inc. Vincent Lao, PB	01/05/04
PTMC, Inc., Century 21 Hawaiian Style Patrick S. McMillen, PB	01/14/04

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
MONO 45, LLC Tamaki Asaina, PB	12/18/03
KJCP, LLC, Navillus Realty Company Cort R. Haverly, PB	01/08/04
Alliance Referral Services, LLC John C. Ball, PB	12/26/03

<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Roland W. Merritt, Merritt Realty Hawaii	12/03/03
Craig Wilson	12/04/03
Rory K. Keith, American Pacific Properties	12/19/03
Steven D. Ludwig	12/26/03
Elizabeth G. Garcia, Affordable Real Estate Services	12/29/03
Joann Y. Sugino, Joann Hawaii Realty	12/30/03

<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Yasmin C. Vatter	12/05/05
Cherie L. Oman	12/05/05
Gary Lee Ransone	12/09/05
James F. Gilliland, Jr.	12/09/05
Geri L. Martucci	12/09/05
Robert Michael Gannage	12/12/05
Charles R. Roy	12/19/05
Mohammad Reza Saramad	12/19/05
Thomas H. Crews	12/26/05
Russell Willis Rodgers	12/26/05

Equivalency to Uniform Section of Examination Certificate

	<u>Expiration Date</u>
Keawe Alexander	12/26/05
Scott James Innes	12/29/05
Justin M. Coughlin	01/08/06
Carolyne D. Riley	01/08/06
Sylvia M. Burton	01/08/06
Scott Damon Smith	01/08/06
Andre P. Fajardo	01/08/06
Mei-Fang Liao	01/09/06
Linda A. Kelley	01/09/06
Gary Mooers	01/13/06
John M. Mauriello	01/13/06
William E. Robertson	01/13/06
S. Marc Rich	01/13/06
Andrew Vartani	01/13/06
Glenn R. Forman	01/13/06
Pamela Norris	01/14/06
Ronda C. Moll	01/14/06
Sandra J. MacKenna	01/15/06

Educational Equivalency Certificate

	<u>Expiration Date</u>
Yasmin C. Vatter	12/05/05
Cherie L. Oman	12/05/05
Charles B. Cooper	12/08/05
Gary Lee Ransone	12/09/05
James F. Gilliland, Jr.	12/09/05
Shannon N. Robinson	12/09/05
Deborah Yeoh	12/18/05
Charles R. Roy	12/19/05
Will G. Fong	12/19/05
Thomas H. Crews	12/26/05
Russell Willis Rodgers	12/26/05
Keawe Alexander	12/26/05
Scott James Innes	12/29/05
Justin M. Coughlin	01/08/06
Carolyne D. Riley	01/08/06
Sylvia M. Burton	01/08/06
Scott Damon Smith	01/08/06
Andre P. Fajardo	01/08/06
Mei-Fang Liao	01/09/06
Linda A. Kelley	01/09/06
Gary Mooers	01/13/06
John M. Mauriello	01/13/06

Educational Equivalency Certificate

	<u>Expiration Date</u>
William E. Robertson	01/13/06
S. Marc Rich	01/13/06
Andrew Vartani	01/13/06
Glenn R. Forman	01/13/06
Pamela Norris	01/14/06
Ronda C. Moll	01/14/06
Sarah R. Crawford	01/14/06
Jason Bryan Sherman	01/14/06
Susan Fox	01/14/06
Sandra J. MacKenna	01/15/06
Steven Kenneth Meyer	01/15/06
Martin Robert Collins	01/15/06

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Walter Sinicki	12/05/05
Trevor W. Benn	12/05/05
H. Roy Esmailzadeh	12/05/05
Cheryl A. Vas	12/05/05
Loc Loui	12/05/05
Michael P. Healey	12/08/05
Charles B. Cooper	12/08/05
Gary Lee Ransone	12/09/05
Keawa Alexander	12/09/05
Elizabeth P. Ayroso	12/09/05
Linda G. Cherry	12/09/05
Catherine M. Tucker	12/10/05
Henry W. Quayle	12/17/05
Sherolyn P. Parish-Hamilton	12/18/05
Michael A. Sylva	12/19/05
Betsy Jacobsen	12/19/05
Shannon N. Robinson	12/19/05
Gary R. Sparks	12/19/05
John B. Guard	12/24/05
Russell Willis Rodgers	12/26/05
Linda L. Brenton	12/29/05
Farid Ghahremani	12/30/05
Justin M. Coughlin	01/08/06
Darcel Y. Mattoon	01/08/06
Gary J. Warmuth	01/08/06
Sylvia M. Burton	01/08/06
Jennifer L. Heidel	01/08/06
Mei-Fang Liao	01/09/06

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Linda A. Kelley	01/09/06
Jacob Schneider	01/12/06
Gary Mooers	01/13/06
William E. Robertson	01/13/06
Ron S. Moore	01/13/06
Yoko Hara	01/14/06
Howard S. Handa	01/14/06

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Bill Sweeney	12/03/03
Craig Wilson	12/04/03
Mimi D. Merritt	12/10/03
Keryl L. Whetstone	12/17/03
Steven D. Ludwig	12/26/03
Maria E. Miller	01/01/04
Alaina L. Fukui	01/01/04
Mary Christ	01/01/04
Sharyn E. Holliday	01/01/04
Mei Tam	01/01/04
Nathan Suzuki	01/01/04
Vincent Lao	01/05/04
Dan Metsch	01/05/04
Teresa Lavagnino	01/05/04
Walter Sinicki	01/06/04
Charlie Parry	01/06/04
Lora "Bitsy" Healey	01/07/04
Carrie K. S. Naihe	01/07/04
Marta R. Segura	01/02/04

Restoration – Real Estate Salesperson

	<u>Effective Date</u>
Stephen J. Arnett	01/07/04